



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

INSPECTOR GENERAL  
for TAX  
ADMINISTRATION

May 7, 2001

MEMORANDUM FOR COMMISSIONER ROSSOTTI

A handwritten signature in black ink, reading "Pamela J. Gardiner".

FROM: Pamela J. Gardiner  
Deputy Inspector General for Audit

SUBJECT: Comments on the Internal Revenue Service's Response to Draft  
Audit Report: Employees' Extensive Personal Use of the  
Internet Should Be Controlled

When we issued our final report *Employees' Extensive Personal Use of the Internet Should Be Controlled* (Reference Number 2001-20-016, dated November 17, 2000), the management response attached to the report agreed with our findings, but did not provide information on the specific corrective actions to be taken, the responsible officials, and the implementation dates. Since then, we have coordinated with Information Technology Services personnel on a revised management response, which the acting Chief Information Technology Services issued on April 12, 2001.

While the response issued on April 12 addressed our recommendations, we continue to have concerns over the vagueness of the corrective action and the proposed implementation date for recommendation number 2. The following information presents our recommendation, the Internal Revenue Service's (IRS) corrective action, and our comments.

Recommendation 2: The Chief Information Officer should mandate that Internet-related activity logs from the IRS firewall and proxy servers are retained and periodically reviewed to identify inappropriate accesses.

Corrective Action: The Office of Security is teamed with Telecommunications and the Treasury Inspector General for Tax Administration's Strategic Enforcement Division in the Incident Response Center. Guidelines are currently being established for accountability, roles, and responsibilities. This includes actions that result when incidents occur during routine monitoring of intrusion detection systems or firewalls.

Office of Audit Comment: The corrective action does not directly address the monitoring process that the IRS will use to identify inappropriate Internet accesses by employees. While we understand that it is a cumbersome process to match Internet activity to specific employees, it is doable. Monitoring is the key to changing employees' behavior and should be done periodically, at least on a sample of Internet accesses, and publicized so employees know that they may be identified if they use the Internet for inappropriate reasons.

We also believe that the implementation date of November 1, 2001, for the corrective action is unreasonably long, particularly since the corrective action proposed is simply to identify a strategy for what role activity logs will play in monitoring Internet usage.

Please call me at (202) 622-6510 if you have any questions, or your staff may contact Scott Wilson, Associate Inspector General for Audit (Information Systems Programs) at (202) 622-8510.

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